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ATTORNEYS AND COUNSELORS AT LAW

173710  
ROBINSON, MCFADDEN & MOORE, P.C.

COLUMBIA | GREENVILLE

April 25, 2005

**HAND DELIVERED**

Mr. Charles Terreni  
Chief Clerk of the Commission  
Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, SC 29210

**Bonnie D. Shealy**  
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**Re: DELTEL, INC. - Docket No. 2004-358-C**  
**Our File No. 04168-0001**

Dear Mr. Terreni:

Enclosed for filing please find the testimony of Robert G. Huff on behalf of DELTEL, INC. As Mr. Huff explains in his testimony, the company's fiscal year is from September through October. The financial statements submitted with the application dated September 23, 2004, were the only ones available at the time and they were not the final version for the year ending September 30<sup>th</sup>. The Office of Regulatory Staff requested financial statements for the calendar year ending December 31, 2004, so we provided that information as a Supplemental Exhibit. Since the Supplemental Exhibit does not reflect the company's fiscal year, we have attached as exhibits to the testimony the final financial statements for the fiscal year ending September 30, 2004, and the most current quarterly financial statements for the period from October 2004 through December 2004. By copy of this letter we are serving the same on the Office of Regulatory Staff. Please stamp the extra copy provided as proof of filing and return it with our courier. If you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.

*Bonnie D. Shealy*

Bonnie D. Shealy

/bds

Enclosure

cc/enc:

Dan F. Arnett, ORS Chief of Staff (via email & U.S. Mail)  
Wendy B. Cartledge, Esquire (via email & U.S. Mail)  
Patrick D. Crocker, Esquire (via email)  
Mr. Robert G. Huff (via email)  
Ms. Beth Ronfeldt (via email)  
Mr. Eddie Akragorn, ORS (via email)  
Ms. Daphne Werts (via email)

BEFORE THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

DOCKET NO. 2004-358-C

IN THE MATTER OF:

THE APPLICATION OF )  
DELTEL, INC. CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO )  
TRANSACT THE BUSINESS OF A RESELLER OF )  
INTEREXCHANGE TELECOMMUNICATIONS )  
SERVICES FOR APPROVAL OF ITS INITIAL )  
TARIFF AND FOR MODIFIED ALTERNATIVE )  
REGULATION )

TESTIMONY OF ROBERT G. HUFF

2005 APR 25 11:12:37  
SC PUBLIC SERVICE COMMISSION  
DOCKET NO. 2004-358-C

1 I. Introduction

2 **Q. Please state your name and business address.**

3 A. My name is Robert G. Huff. My address is 610 Newport Center Drive, Suite 330, Newport  
4 Beach, California 92660.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am the Vice President of Operations of DELTEL, INC.

7 **Q. Please give a brief description of your background and experience in business and**  
8 **telecommunications.**

9 A. I've been employed by DelTel, Inc. in Newport Beach, California since February, 2003.

10 Prior to coming to DELTEL, I served as a senior executive with staff and operations  
11 experience for public and private sector businesses, in the pharmaceutical, behavioral  
12 care, manufacturing and entertainment industries.

13 Most recently, prior to joining DelTel, Inc., I was a co-founder, an officer and director  
14 of a behavioral care, addiction medicine, treatment corporation. I was designated by the  
15 Federal Drug Enforcement Administration (DEA), Alcohol Drug Program  
16 Administration (ADP), Food and Drug Administration (FDA) and State Pharmaceutical  
17 Boards, as Responsible Head of 30 corporate treatment facilities located in seven states.

18 I served as the Regulatory and Compliance Officer for the corporation, responsible for  
19 local, state and federal licensure.

20 **Q. What is the purpose of your testimony?**

21 A. The purpose of my testimony is to describe the nature of DELTEL, INC.'s proposed service  
22 offerings within the State of South Carolina, and to demonstrate its financial, managerial, and  
23 technical ability to provide the telecommunications services for which authority is sought herein.

24 **Q. Do you intend to incorporate by reference any documents into your testimony?**

1 A. Yes. I wish to incorporate by reference the underlying Application filed in this proceeding and its  
2 associated exhibits.

3 **II. The Business of DELTEL, INC.**

4 **Q. Has DELTEL, INC. registered to do business in South Carolina?**

5 A. Yes. DELTEL, INC. is incorporated in the State of California and has been authorized to transact  
6 business within the State of South Carolina. Copies of the qualifying documents are attached to  
7 the Application as Exhibits A and B.

8 **Q. Please describe the services DELTEL, INC. intends to provide within the State of South**  
9 **Carolina.**

10 A. DELTEL, INC. seeks authority to operate as a reseller of intrastate interexchange  
11 telecommunications services to the public on a statewide basis and to offer a full range of "1+"  
12 interexchange telecommunications services on a resale basis. Specifically, DELTEL, INC. seeks  
13 authority to provide MTS, out-WATS and in-WATS services.

14 **Q. What carrier will DELTEL, INC. utilize as its underlying carrier for services in South**  
15 **Carolina?**

16 A. DELTEL, INC. will offer service to its subscribers using facilities of the communications  
17 networks of QWEST, other facilities-based IXC's, and the local exchange telephone companies.

18 **Q. Is DELTEL, INC. currently authorized to provide intrastate telecommunications services in**  
19 **any other states?**

20 A. Yes. DELTEL, INC. is authorized to provide telecommunications services in the following  
21 jurisdictions: California, Colorado, District of Columbia, Florida, Georgia, Idaho, Illinois,  
22 Indiana, Iowa, Kentucky, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New  
23 Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon,  
24 Texas, Utah, Virginia, Washington and Wyoming.

25 **Q. Does DELTEL, INC. intend to file a tariff with the Commission?**

1 A. Yes, DELTEL, INC. will file a tariff similar to the proposed tariff filed along with DELTEL,  
2 INC.'s application as Exhibit E in this docket. We believe that DELTEL, INC.'s tariff will  
3 comport with all orders, rules, and regulations of the Commission.

4 Q. **Will DELTEL, INC. comply with the Commission's orders regarding the resale of**  
5 **interexchange carrier services?**

6 A. Yes. DELTEL, INC. will at all times provide interexchange carrier services in accordance with  
7 current Commission policies. In addition, DELTEL, INC. at all times provides interstate services  
8 in compliance with all FCC rules and regulations.

9 Q. **Has DELTEL, INC. provided any intrastate telecommunications services within the State of**  
10 **South Carolina?**

11 A. A DelTel/PBNext communications system was purchased from an independent sales agent from  
12 the state of Florida. Revenues amounted to \$10.24. Prior to the sale occurrence, the certification  
13 process had already been initiated but not concluded. We are not aware of any other agents  
14 selling DELTEL/ PBNext in South Carolina. We have taken precautionary measures to ensure  
15 that agents are aware that we are not yet certified in South Carolina. We respectfully request that  
16 the Commission waive its requirement that South Carolina refund these revenues.

17 Q. **What rates will DELTEL, INC. charge upon receipt of certification?**

18 A. DELTEL, INC. will charge the tariffed rates approved by the Commission.

19 Q. **How will DELTEL, INC. market services in South Carolina?**

20 A. DELTEL's PBNext telecommunications service is made available through independent sales  
21 agents for use in small business operations. DelTel is not a sales or marketing company.  
22 Agents use a Request For Service order form which outlines PBNext terms and conditions. This  
23 is one way we ensure that sales conform to our regulatory requirements and our internal policies.

24 Q. **What Regulatory Treatment is DELTEL, INC. seeking in this Application?**

25 A. DELTEL, INC. requests that all of its business service offerings be regulated pursuant to the  
26 procedures described and set out in Docket No. 95-661-C and as modified by Order No. 2001-

1 997-C in docket No. 2000-407-C. It is DELTEL, INC.'s intent by this request to have its business  
2 services regulated in the same manner as this Commission has permitted for by AT&T  
3 Communications of the Southern States. Specifically, DELTEL, INC. requests:

- 4 (a) removal of maximum rate tariff requirements for its business services, consumer card,  
5 operator service, and future private line, and customer network-type offerings;  
6 (b) that tariff filings for these uncapped offerings are presumed valid upon filing. If the  
7 Commission institutes an investigation of a particular filing within seven days, the tariff  
8 filing will be suspended until further order of the Commission; and  
9 (c) any relaxation in the reporting requirements that may be adopted for AT&T shall apply to  
10 DELTEL, INC. also.

11 We understand that the alternative regulation orders were modified by Order No. 2001-997 so  
12 that rate caps for operator-assisted calls where a consumer uses a local exchange carrier's calling  
13 card to complete calls from locations which have not selected that local exchange carrier as their  
14 toll provider. The order imposed a maximum cap of \$1.75 for operator surcharges for such calls,  
15 and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls.

16 **III. Managerial, Technical, and Financial Qualifications**

17 **Q. Does DELTEL, INC. have sufficient managerial, technical, and financial resources and**  
18 **ability to provide the telecommunications services proposed in its Application?**

19 A. Yes. DELTEL, INC. has sufficient technical, financial, and managerial resources and the ability  
20 to provide the telecommunications services for which authority has been sought herein. DELTEL,  
21 INC.'s personnel represent a broad spectrum of business and technical disciplines, possessing  
22 many years of individual and aggregate telecommunications experience. My qualifications and  
23 experience are set forth on page 1 of this testimony.

24 **Q. How does DELTEL, INC. handle customer service requests?**

25 A. DELTEL, INC. operates a customer service department that can be reached conveniently by a toll  
26 free number, 1-877-7PBNEXT, 9:00 a.m. to 9:00 p.m. EST Monday through Friday and Saturday

1 12:00 p.m. to 4:00 p.m. EST. Customer service is also available through email and LivePerson.  
2 LivePerson is a live Internet chat service where customers can discuss service requests and  
3 problems with qualified PBNNext technical personnel.

4 **Q. Please describe the financial condition of DELTEL, INC.**

5 A. In support of DELTEL, INC.'s financial ability to provide the services sought herein, DELTEL,  
6 INC. filed a balance sheet with the Commission as Exhibit D to the Application in this  
7 proceeding. Deltel's fiscal year ends on September 30<sup>th</sup>. At the time Deltel filed its application the  
8 only financial statements available were those ending September 23, 2004. The financial  
9 statements filed with the application were not final statements for that fiscal year end. Attached  
10 and incorporated by reference are the final year end statements for the period from October 1,  
11 2003, through September 30, 2004, which are attached as Exhibit 1. We filed a supplemental  
12 exhibit G, which are financial statements for the period from January 1, 2004, through December  
13 31, 2004, since the Office of Regulatory Staff requested this information. However, our company  
14 does not operate on a calendar year basis. The attached final year end statements reflect our fiscal  
15 year 2003/2004. The Office of Regulatory Staff requested that we submit updated financial  
16 statements so we are also attaching the financial statements for the first quarter for the period  
17 from October 1, 2004, through December 31, 2004, which are attached as Exhibit 2.

18 The Office of Regulatory Staff also requested that we provide more information on one  
19 line item entry, "Taxes Other" for the Balance Sheet. Please note that the entry for "Taxes Other"  
20 on the final financial statements was reviewed and corrected. The actual total at the fiscal year  
21 end was \$2,667.63 and represents items other than telecommunications taxes payable including  
22 payments to Alliance Systems for tax related computer systems costs, RIA Production  
23 Management which is the company who prepares and pays our state tax filings and related  
24 documents, the Illinois Department of Revenue, and the Federal Communications Commission  
25 for filing fees and other regulatory expenses.

1   **Q.     How will residents of South Carolina benefit from DELTEL, INC.'s services and presence**  
2       **in South Carolina?**

3   A.     Approval of DELTEL, INC.'s Application will serve the public interest by creating greater  
4       competition in the interexchange marketplace. Approval will also provide consumers with a  
5       greater choice of long distance services for intrastate calls, promoting more efficient use of the  
6       underlying networks. DELTEL, INC.'s participation in South Carolina's intrastate  
7       telecommunications market will also expand the tax base and revenue sources for the State.

8   **Q.     Why is the company seeking an exemption from maintaining records in South Carolina?**

9   A.     DELTEL, INC. requests a waiver of the requirements of 26 S.C. Reg. 103-610 that a carrier keep  
10      all records required by the Commission's rules and regulations within the State of South Carolina.  
11      Since the company's corporate offices are in California maintaining its books and records in  
12      South Carolina would be unduly burdensome. DELTEL, INC. will have a registered agent in  
13      South Carolina and will bear any costs associated with the Commission's inspection of its books  
14      and records.

15      DELTEL, INC. would also like to amend its application to seek an exemption for any policies  
16      that might require a carrier to maintain its financial records in conformance with the Uniform  
17      System of Accounts. As a competitive carrier, DELTEL, INC. maintains its books in accordance  
18      with Generally Accepted Accounting Principles; and therefore, does not possess the detailed cost  
19      data required by USOA.

20   **Q.     Does this conclude your testimony?**

21   A.     Yes. I would like to thank the Commission for this opportunity to provide information relevant to  
22      DELTEL, INC.'s Application and am ready to provide any additional information that the  
23      Commission may need in making its decision.

10:51 AM

04/18/05

Accrual Basis

**DeITel, Inc.**  
**Balance Sheet**  
**As of September 30, 2004**

	<u>Sep 30, 04</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Cal Fed Expense Account	1.29
CalFed Main Checking	258.42
Deposit Only Account	16.58
UB - Deposit Only	7,945.03
UB - Expense Account	62.00
UB - Main	12,061.40
UB - Savings	965.78
<b>Total Checking/Savings</b>	<u>21,311.40</u>
<b>Accounts Receivable</b>	
Accounts Receivable	750,949.74
<b>Total Accounts Receivable</b>	<u>750,949.74</u>
<b>Other Current Assets</b>	
Employee Advances	59,523.63
Inventory Asset	1,142.64
Non - Reimbursable Expenses	-1,319.70
Security Deposit	9,258.42
<b>Total Other Current Assets</b>	<u>68,604.99</u>
<b>Total Current Assets</b>	840,866.13
<b>Fixed Assets</b>	
Accumulated Depreciation	-85,580.00
Computer Equipment	51,816.97
Software Costs	45,000.00
Telco Equipment	83,039.75
<b>Total Fixed Assets</b>	<u>94,276.72</u>
<b>TOTAL ASSETS</b>	<u><u>935,142.85</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	525,614.63
<b>Total Accounts Payable</b>	<u>525,614.63</u>
<b>Credit Cards</b>	
CapitalOne Visa	-102.00
Credit Card at American Express	16,062.65
Delta Sky Miles AMEX	7,125.94
Quickbooks Platinum Plus	2,474.74
Staples	581.94
<b>Total Credit Cards</b>	<u>26,143.27</u>
<b>Other Current Liabilities</b>	
Accrued Expenses	380,594.34
Dell Revolving Account	6,187.25
<b>Total Other Current Liabilities</b>	<u>386,781.59</u>
<b>Total Current Liabilities</b>	938,539.49
<b>Long Term Liabilities</b>	
Bond70 Loan	10,000.00
<b>Total Long Term Liabilities</b>	<u>10,000.00</u>
<b>Total Liabilities</b>	<u>948,539.49</u>

10:51 AM

04/18/05

Accrual Basis

**DeITel, Inc.**  
**Balance Sheet**  
**As of September 30, 2004**

	<u>Sep 30, 04</u>
Equity	
Capital Stock	50,000.00
Retained Earnings	-16,423.69
Net Income	-46,972.95
Total Equity	-13,396.64
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>935,142.85</u></b>

9:42 AM

04/18/05

Accrual Basis

**DeITel, Inc.**  
**Profit & Loss**  
**October 2003 through September 2004**

	<u>Oct '03 - Sep 04</u>
<b>Ordinary Income/Expense</b>	
Income	
PBNext Call	0.00
PBNext COGS	74,150.00
PBNext Monthly Fee	1,756,652.13
PBNext Setup Fee	88,470.72
Phones	
ST2112-PB Phone	1,212.42
Phones - Other	1,061,529.98
<b>Total Phones</b>	<b>1,062,742.40</b>
Sales	27,740.00
Services	111,373.14
Software Sales	4,510.00
VoiceCast Dials	83,276.61
VoiceCast Setup	3,500.00
<b>Total Income</b>	<b>3,212,415.00</b>
Cost of Goods Sold	
Cost of Goods Sold	931,293.38
PBNext Phone	-14,854.32
<b>Total COGS</b>	<b>916,439.06</b>
<b>Gross Profit</b>	<b>2,295,975.94</b>
Expense	
Automobile Expense	36,460.41
Bank Service Charges	
Merchant Account Fees	58,281.24
UNIM - NSF FEES	984.00
Bank Service Charges - Other	2,687.36
<b>Total Bank Service Charges</b>	<b>61,952.60</b>
Depreciation Expense	51,636.00
Dues and Subscriptions	5,718.34
Equipment Rental	
Equipment Lease	1,178.97
Equipment Rental - Other	63,820.09
<b>Total Equipment Rental</b>	<b>64,999.06</b>
Gifts	862.38
Insurance	
Liability Insurance	1,929.00
Work Comp	2,509.63
Insurance - Other	42,486.73
<b>Total Insurance</b>	<b>46,905.36</b>
Interest Expense	
Finance Charge	572.89
Interest Expense - Other	2,736.34
<b>Total Interest Expense</b>	<b>3,309.23</b>
Licenses and Permits	
Tariffing	36,073.00
Licenses and Permits - Other	651.00
<b>Total Licenses and Permits</b>	<b>36,724.00</b>
Miscellaneous	2,588.18
Office Supplies	5,291.75
Outside Services	
Customer Service	104,177.48
eBay API	343.62
Telco Tax Services	10,978.22
Outside Services - Other	147,982.83
<b>Total Outside Services</b>	<b>263,482.15</b>

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04/18/05

Accrual Basis

**DeITel, Inc.**  
**Profit & Loss**  
**October 2003 through September 2004**

	<u>Oct '03 - Sep 04</u>
Payroll Expenses	580,035.31
PBNext Commissions	
UNIMPBNext Recurring Commission	395,947.12
UNIMPBNext Setup Fee Commission	183,144.25
PBNext Commissions - Other	3,199.99
<b>Total PBNext Commissions</b>	<b>582,291.36</b>
Postage and Delivery	36,490.98
Pre Pay Discount	480.00
Printing and Reproduction	32,454.86
Professional Fees	
Accounting	1,100.00
Legal Fees	62,539.12
<b>Total Professional Fees</b>	<b>63,639.12</b>
Rent	105,724.00
Repairs	1,639.10
Software	15,085.22
Taxes	
Property	1,041.36
State	100.00
Taxes - Other	2,667.63
<b>Total Taxes</b>	<b>3,808.99</b>
Telco Taxes	
USF	0.54
Telco Taxes - Other	13,645.40
<b>Total Telco Taxes</b>	<b>13,645.94</b>
Telecommunication	
Co-Location	43,070.09
Internet T1	8,453.16
Local PRI	13,046.30
MFS - DS1	1,946.60
MFS - DS3	22,612.42
Resporg Fees	27,588.19
Usage	120,188.76
Telecommunication - Other	6,795.01
<b>Total Telecommunication</b>	<b>243,700.53</b>
Telephone	
Cellular	13,315.29
Telephone - Other	5,872.01
<b>Total Telephone</b>	<b>19,187.30</b>
Trade Show Expense	11,032.87
Travel & Ent	
Entertainment	1,613.00
Meals	22,150.83
Travel & Ent - Other	32,804.66
<b>Total Travel &amp; Ent</b>	<b>56,568.49</b>
Utilities	
Water	2,885.77
<b>Total Utilities</b>	<b>2,885.77</b>
<b>Total Expense</b>	<b>2,347,999.30</b>
<b>Net Ordinary Income</b>	<b>-52,023.36</b>

9:42 AM

04/18/05

Accrual Basis

**DeITel, Inc.**  
**Profit & Loss**  
**October 2003 through September 2004**

	<u>Oct '03 - Sep 04</u>
Other Income/Expense	
Other Income	
Interest Income	50.41
Other Income	5,000.00
Total Other Income	<u>5,050.41</u>
Net Other Income	<u>5,050.41</u>
Net Income	<u><u>-48,972.95</u></u>

**DeITel, Inc.**  
**Balance Sheet**  
**As of December 31, 2004**

	<u>Dec 31, 04</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Cal Fed Expense Account	1.29
CalFed Main Checking	258.42
Deposit Only Account	16.58
Petty Cash	700.00
UB - Deposit Only	7,257.35
UB - Expense Account	1,040.00
UB - Main	-6,704.27
UB - Savings	<u>4,199.71</u>
Total Checking/Savings	6,769.08
Accounts Receivable	
Accounts Receivable	<u>972,637.59</u>
Total Accounts Receivable	972,637.59
Other Current Assets	
Employee Advances	59,523.63
Inventory Asset	25,142.64
Non - Reimbursable Expenses	-854.20
Security Deposit	<u>9,258.42</u>
Total Other Current Assets	<u>93,070.49</u>
Total Current Assets	1,072,477.16
Fixed Assets	
Accumulated Depreciation	-85,580.00
Computer Equipment	74,651.84
Software Costs	45,000.00
Telco Equipment	<u>83,039.75</u>
Total Fixed Assets	<u>117,111.59</u>
<b>TOTAL ASSETS</b>	<b><u><u>1,189,588.75</u></u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>529,699.70</u>
Total Accounts Payable	529,699.70
Credit Cards	
Credit Card at American Expres	15,903.66
Delta Sky Miles AMEX	7,948.77
Quickbooks Platinum Plus	<u>462.01</u>
Total Credit Cards	24,314.44
Other Current Liabilities	
Accrued Expenses	571,034.34

**DeITel, Inc.**  
**Balance Sheet**  
**As of December 31, 2004**

	<u>Dec 31, 04</u>
Dell Loan 501-6143090-003	-766.39
Dell Revolving Account	<u>4,984.25</u>
Total Other Current Liabilities	<u>575,252.20</u>
 Total Current Liabilities	 1,129,266.34
 Long Term Liabilities	
end70 Loan	3,215.26
Powerteam Reserve	<u>160.00</u>
Total Long Term Liabilities	<u>3,375.26</u>
 Total Liabilities	 1,132,641.60
 Equity	
Capital Stock	50,000.00
Opening Bal Equity	687.89
Retained Earnings	-63,396.64
Net Income	<u>69,655.90</u>
Total Equity	<u>56,947.15</u>
 TOTAL LIABILITIES & EQUITY	 <u><u>1,189,588.75</u></u>

**DeITel, Inc.**  
**Profit & Loss**  
October through December 2004

	<u>Oct - Dec 04</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Fees	3,508.34
PBNext Call	-297.78
PBNext COGS	28,683.45
PBNext Monthly Fee	669,496.52
PBNext Setup Fee	25,011.15
<b>Phones</b>	
ST2112-PB Phone	4,197.90
Phones - Other	214,160.01
<b>Total Phones</b>	<u>218,357.91</u>
Sales	201.00
<b>Services</b>	
hosting - non eBay	15,800.00
hosting - with eBay	12,145.00
Services - Other	72,495.00
<b>Total Services</b>	<u>100,440.00</u>
VoiceCast Dials	13,718.55
<b>Total Income</b>	<u>1,059,119.14</u>
<b>Cost of Goods Sold</b>	
Cost of Goods Sold	194,439.24
PBNext Phone	2,285.28
<b>Total COGS</b>	<u>196,724.52</u>
<b>Gross Profit</b>	862,394.62
<b>Expense</b>	
Automobile Expense	8,438.32
<b>Bank Service Charges</b>	
Merchant Account Fees	25,556.07
UNIM - NSF FEES	270.00
Bank Service Charges - Other	697.52
<b>Total Bank Service Charges</b>	<u>26,523.59</u>
Dues and Subscriptions	3,862.49
Equipment Rental	23,981.79
Gifts	1,524.32
Insurance	10,972.87
<b>Interest Expense</b>	
Finance Charge	7.28
Interest Expense - Other	1,625.70
<b>Total Interest Expense</b>	<u>1,632.98</u>
<b>Licenses and Permits</b>	
Tarriffing	3,494.00
<b>Total Licenses and Permits</b>	<u>3,494.00</u>

**DeITel, Inc.**  
**Profit & Loss**  
**October through December 2004**

	<u>Oct - Dec 04</u>
Miscellaneous	1.00
Office Supplies	1,680.43
Outside Services	
Customer Service	62,470.02
DNR	-2,000.00
eBay API	2,443.34
Hosting Commission	232.50
Telco Tax Services	4,347.93
TPV	250.00
Outside Services - Other	16,407.32
Total Outside Services	<u>84,151.11</u>
Payroll Expenses	205,385.27
PBNext Commisssions	
UNIMPBNext Recurring Commissoin	166,105.17
UNIMPBNext Setup Fee Commission	57,953.25
PBNext Commisssions - Other	6,821.13
Total PBNext Commisssions	<u>230,879.55</u>
Postage and Delivery	8,211.85
Printing and Reproduction	12,814.59
Professional Fees	
Legal Fees	30,410.27
Total Professional Fees	<u>30,410.27</u>
Rent	28,752.00
Software	2,894.99
Taxes	
State	845.00
Total Taxes	<u>845.00</u>
Telco Taxes	8,502.53
Telecommunication	
Co-Location	10,762.50
Internet T1	525.00
Local PRI	9,978.49
MFS - DS1	1,183.22
Resporg Fees	2,174.50
Usage	59,753.93
Telecommunication - Other	579.83
Total Telecommunication	<u>84,957.47</u>
Telephone	
Cellular	2,627.73
Telephone - Other	856.49
Total Telephone	<u>3,484.22</u>
Travel & Ent	
Entertainment	123.57

**DeITel, Inc.**  
**Profit & Loss**  
October through December 2004

	<u>Oct - Dec 04</u>
Meals	4,997.26
Travel & Ent - Other	<u>3,553.98</u>
Total Travel & Ent	8,674.81
Utilities	
Water	<u>664.20</u>
Total Utilities	<u>664.20</u>
Total Expense	<u>792,739.65</u>
Net Ordinary Income	69,654.97
Other Income/Expense	
Other Income	
Interest Income	<u>0.93</u>
Total Other Income	<u>0.93</u>
Net Other Income	<u>0.93</u>
Net Income	<u><u>69,655.90</u></u>

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2004-358-C**

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COMMISSION

In The Matter of: )  
)  
The Application of DELTEL, INC. )  
Certificate of Public Convenience & )  
Necessity to Transact the Business )  
of a Reseller of Interexchange )  
Telecommunications Services for )  
Approval of its Initial Tariff and for )  
Modified Alternative Regulation )


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**CERTIFICATE OF SERVICE**

This is to certify that I, Mary F. Cutler, a legal assistant with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the persons named below the **Testimony of Robert G. Huff** in the foregoing matter by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

Dan F. Arnett, Chief of Staff  
Wendy B. Cartledge, Esquire  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, South Carolina 29201

Dated at Columbia, South Carolina this 25<sup>th</sup> day of April 2005.

  
\_\_\_\_\_  
Mary F. Cutler